

103^D CONGRESS
2^D SESSION

H. R. 3742

To establish a commission to design a plan for transition from certain welfare, job training, and child care programs to new programs providing temporary financial aid and assistance in locating permanent employment.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 1994

Mr. FINGERHUT introduced the following bill; which was referred jointly to the Committees on Ways and Means, Agriculture, and Education and Labor

A BILL

To establish a commission to design a plan for transition from certain welfare, job training, and child care programs to new programs providing temporary financial aid and assistance in locating permanent employment.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Welfare Elimination
5 Act of 1994”.

1 **SEC. 2. ESTABLISHMENT OF COMMISSION TO ELIMINATE**
2 **WELFARE.**

3 There is established a commission to be known as the
4 “Commission to Eliminate Welfare” (in this Act referred
5 to as the “Commission”).

6 **SEC. 3. DUTIES OF COMMISSION.**

7 (a) WELFARE AND JOB TRAINING REFORM.—

8 (1) IN GENERAL.—The Commission shall de-
9 sign a replacement for the program of aid to families
10 with dependent children under part A of title IV of
11 the Social Security Act, the food stamp program
12 under the Food Stamp Act of 1977, the programs
13 under the Job Training Partnership Act, and the
14 targeted jobs credit under section 51 of the Internal
15 Revenue Code of 1986 that is composed of—

16 (A) the use of amounts equal to the State
17 and local shares under such programs for edu-
18 cation and job training assistance for unem-
19 ployed individuals in accordance with paragraph
20 (2);

21 (B) a temporary emergency assistance pro-
22 gram that meets the requirements of paragraph
23 (3);

24 (C) such modifications to the program of
25 supplemental security income benefits under
26 title XVI of the Social Security Act as may be

1 necessary to accomplish the goals described in
2 paragraph (4);

3 (D) a national service work program that
4 meets the requirements of paragraph (5);

5 (E) a targeted job training tax credit that
6 meets the requirements of paragraph (6); and

7 (F) an enhanced earned income tax credit
8 that meets the requirements of paragraph (7).

9 (2) USE OF STATE AND LOCAL SHARES FOR
10 EDUCATION AND JOB TRAINING ASSISTANCE FOR
11 UNEMPLOYED INDIVIDUALS.—Each State and local
12 government is to ensure that amounts equal to the
13 aggregate amounts of State and local shares used to
14 carry out programs specified in the matter preceding
15 subparagraph (A) of paragraph (1) are to be used
16 to provide education and job training assistance to
17 unemployed individuals.

18 (3) TEMPORARY EMERGENCY ASSISTANCE PRO-
19 GRAM.—The requirements of this paragraph are as
20 follows:

21 (A) ELIGIBILITY FOR BENEFITS.—A
22 household is to be eligible for benefits under the
23 program if—

1 (i) the total income of the members of
2 the household is less than 50 percent of
3 the poverty line; and

4 (ii) the head of the household is not a
5 recipient of supplemental security income
6 benefits under title XVI of the Social Secu-
7 rity Act.

8 (B) DISREGARD OF SSI RECIPIENTS.—Ex-
9 cept as provided in subparagraph (A)(ii), recipi-
10 ents of supplemental security income benefits
11 under title XVI of the Social Security Act are
12 to be disregarded in determining the eligibility
13 of a household for benefits, and the amount of
14 benefits payable to the household, under the
15 program.

16 (C) AMOUNT OF BENEFITS.—Benefits
17 under the program are to be paid to a house-
18 hold in an amount equal to the amount by
19 which 50 percent of the poverty line exceeds the
20 total income of the members of the household.

21 (D) DURATION OF BENEFITS.—

22 (i) IN GENERAL.—Subject to clauses
23 (ii) and (iii), benefits under the program
24 are to be provided to a household for not

1 more than 6 months in any 24-month pe-
2 riod.

3 (ii) EXCEPTION FOR CERTAIN HOUSE-
4 HOLDS THAT INCLUDE A NEWBORN BABY
5 OR DISABLED MINOR.—A household that
6 meets the requirement of subparagraph
7 (A) is to remain eligible for benefits under
8 the program for so long as—

9 (I) the household includes a sin-
10 gle parent or guardian of a member of
11 the household who—

12 (aa) has not attained 3
13 months of age; or

14 (bb) is disabled; and

15 (II) each member of the house-
16 hold who has not attained 18 years of
17 age is living in a living arrangement
18 supervised by an adult.

19 (iii) EXCEPTION FOR CERTAIN FULL-
20 TIME STUDENTS.—An individual who has
21 not attained 20 years of age is to remain
22 eligible for benefits under the program for
23 so long as—

24 (I) the household of which the in-
25 dividual is a member (but for clause

1 (i)) would be eligible for such benefits;
2 and

3 (II) the individual is a full-time
4 student in a secondary school (or in
5 the equivalent level of vocational or
6 technical training).

7 (E) POVERTY LINE.—As used in this para-
8 graph, the term “poverty line” means, with re-
9 spect to a household the income official poverty
10 line (as defined by the Office of Management
11 and Budget, and revised annually in accordance
12 with section 673(2) of the Omnibus Budget
13 Reconciliation Act of 1981) applicable to a fam-
14 ily of the same size as the household involved.

15 (4) MODIFICATIONS TO SSI PROGRAM.—The
16 goals described in this paragraph are as follows:

17 (A) INCLUSION OF MINOR CHILDREN OF
18 ELIGIBLE INDIVIDUALS.—Expand the program
19 to include benefits for minor children of individ-
20 uals eligible for such benefits.

21 (B) PROVISIONS OF BENEFITS BASED ON
22 HOUSEHOLD SIZE.—Provide benefits to a
23 household in an amount that is based on the
24 size of the household.

1 (C) REDUCE NEED FOR STATE ASSIST-
2 ANCE.—Ensure that all individuals who are eli-
3 gible for and have applied for such benefits re-
4 ceive such benefits in a timely manner, and ex-
5 pand the program to the extent necessary to
6 provide benefits to individuals and families who
7 cannot support themselves through work and
8 available benefits under State income assistance
9 programs.

10 (5) NATIONAL SERVICE WORK PROGRAM.—The
11 requirements of this paragraph are as follows:

12 (A) ESTABLISHMENT OF DELIVERY SYS-
13 TEM.—

14 (i) GRANTS TO LOCAL GOVERN-
15 MENTS.—The Federal government is to
16 provide grants on an annual basis to local
17 governments to provide job training and
18 job placement assistance under the pro-
19 gram to unemployed individuals for the
20 purpose of placing such individuals in
21 unsubsidized employment.

22 (ii) SUBGRANTS TO SERVICE PROVID-
23 ERS.—(I) A local government that receives
24 a grant under clause (i) is to use amounts
25 from such grant to provide subgrants on a

1 competitive basis to eligible service provid-
2 ers for the purpose of providing the assist-
3 ance described under subparagraph (B) to
4 participants.

5 (II) For purposes of this paragraph,
6 the term “eligible service providers” in-
7 cludes—

8 (aa) existing entities providing
9 services to unemployed individuals
10 under Federal, State, or local law, in-
11 cluding those entities providing serv-
12 ices under the Job Opportunities and
13 Basic Skills Training Program under
14 part F of title IV of the Social Secu-
15 rity Act (42 U.S.C. 681 et seq.) and
16 the Job Training Partnership Act (29
17 U.S.C. 1501 et seq.); and

18 (bb) appropriate nonprofit and
19 for profit organizations.

20 (B) JOB TRAINING ASSISTANCE.—An eligi-
21 ble service provider that receives a subgrant
22 under subparagraph (A)(ii) is to use amounts
23 from such subgrant to provide the following as-
24 sistance to participants:

1 (i) INITIAL ASSESSMENT.—The serv-
2 ice provider is to conduct an initial assess-
3 ment of each participant to determine the
4 level of education and work experience of
5 each such participant. After such assess-
6 ment, the participant, in consultation with
7 a trained counselor, is to choose to receive
8 either intensive placement assistance under
9 clause (ii) or work/study assistance under
10 clause (iii).

11 (ii) INTENSIVE PLACEMENT ASSIST-
12 ANCE.—(I) The service provider is to pro-
13 vide intensive placement assistance to par-
14 ticipants for the purpose of preparing par-
15 ticipants for and placing participants in
16 unsubsidized employment. Such assistance
17 is to include—

18 (aa) training to improve and up-
19 date the work skills of participants;

20 (bb) training to improve and up-
21 date the job interviewing skills and re-
22 sume preparation skills of partici-
23 pants;

24 (cc) instruction in personal finan-
25 cial management;

1 (dd) where appropriate, classes
2 designed to assist participants attain
3 certificates of high school equivalency;
4 and

5 (ee) job placement assistance, in-
6 cluding assistance provided by a coun-
7 selor who matches participants with
8 unsubsidized job opportunities based
9 upon the skills of the participant.

10 (II) The service provider is to provide,
11 to the extent practicable, 40 hours per
12 week of assistance to a participant under
13 subclause (I) and is to provide compensa-
14 tion to such participant in an amount
15 equal to \$4.00 per hour for each such hour
16 that such participant participates in inten-
17 sive placement under subclause (I).

18 (III) The service provider is to provide
19 assistance to a participant under subclause
20 (I) until such participant is placed in
21 unsubsidized employment, or 180 days
22 after the date on which the participant be-
23 gins receiving assistance under such
24 subclause, whichever occurs first.

1 (iii) WORK/STUDY ASSISTANCE.—(I)

2 The service provider is to provide work/
3 study assistance to participants for the
4 purpose of preparing such participants for
5 unsubsidized employment. Such assistance
6 is to include—

7 (aa) placement in part-time
8 unsubsidized jobs, or if such jobs are
9 not available, placement in part-time
10 subsidized jobs; and

11 (bb) educational assistance relat-
12 ed to such jobs and to the full-time
13 unsubsidized jobs that such partici-
14 pants obtain after receiving assistance
15 under this subparagraph, including
16 technical training or placement in ap-
17 prenticeship programs.

18 (II) The service provider is to provide,
19 to the extent practicable, 40 hours per
20 week of assistance to a participant under
21 subclause (I) and is to provide compensa-
22 tion to such participant in an amount
23 equal to \$4.00 per hour for each such hour
24 that such participant receives such assist-
25 ance, except that such compensation shall

1 not include amounts received from place-
2 ment in a part-time subsidized job.

3 (III) The service provider is to provide
4 assistance to a participant under subclause
5 (I) until such participant is placed in full-
6 time unsubsidized employment, except that
7 a participant may not receive such assist-
8 ance for more than a total of 4 years.

9 (iv) SUPPORT SERVICES.—The service
10 provider is to provide support services to
11 participants receiving assistance under
12 clauses (ii) and (iii). Such services are to
13 include—

14 (I) case management and coun-
15 seling services provided by a case
16 manager, including referrals to appro-
17 priate social service agencies and iden-
18 tification of barriers to successful job
19 performance, such as mental illness,
20 learning disabilities, and substance
21 abuse; and

22 (II) legal services to assist par-
23 ticipants in eliminating barriers to,
24 placement in, and retention of
25 unsubsidized employment.

(C) PLACEMENT IN PUBLIC SERVICE

JOBS.—(i) The Federal government is to ensure that each participant who is unable to obtain unsubsidized employment after receiving assistance under subparagraph (B) is placed in a public sector job until such time as the participant obtains such unsubsidized employment.

(ii) An individual who receives a public sector job under clause (i) is to be paid \$4.00 per hour.

(iii) An individual who receives a public sector job under clause (i) is to be provided ongoing support services in accordance with subparagraph (B)(iv) to ensure that such individual obtains unsubsidized employment.

(D) CONTINUING SUPPORT SERVICES DURING UNSUBSIDIZED EMPLOYMENT.—

The Federal government is to ensure that each participant who obtains unsubsidized employment after receiving assistance under subparagraph (B) continues to receive the support services described in subparagraph (B)(iv) for up to 1 year after the date on which the participant receives such employment.

1 (6) TARGETED JOB TRAINING TAX CREDIT.—

2 The requirements of this paragraph are that employ-
3 ers be provided with a nonrefundable credit against
4 Federal income tax for some portion of the expenses
5 paid by the employer in providing job training.

6 (7) ENHANCED EARNED INCOME TAX CRED-
7 IT.—The requirements of this paragraph are that—

8 (A) the earned income credit under section
9 32 of the Internal Revenue Code of 1986 be re-
10 structured such that—

11 (i) for households in which an adult
12 participates in the National Service Work
13 Program, the amount of such credit will,
14 when added to the taxpayer's earned in-
15 come, equal 75 percent of the poverty level
16 for such household,

17 (ii) for households in which no adult
18 participates in the National Service Work
19 Program and in which there is an adult
20 full-time worker (or the equivalent), the
21 amount of such credit will be the greater
22 of—

23 (I) the amount determined under
24 such section 32 without regard to this
25 paragraph, or

1 (II) the amount which, when
2 added to the taxpayer's earned in-
3 come, will equal 100 percent of the
4 poverty level for such household, and
5 (iii) for households in which no adult
6 participates in the National Service Work
7 Program and to which subparagraph (B)
8 does not apply, the amount of such credit
9 will be the amount determined under such
10 section 32 without regard to this para-
11 graph, and

12 (B) the earned income credit under such
13 section 32 be paid on a periodic basis during
14 the taxable year other than as provided in sec-
15 tion 3507 of such Code.

16 (b) CHILD CARE REFORM.—

17 (1) IN GENERAL.—The Commission shall de-
18 sign a program that consolidates existing child care
19 programs under Federal law into a single program
20 under which a household is to be eligible for child
21 care services under the program if the total income
22 of the members of the household is less than 200
23 percent of the poverty line.

24 (2) OTHER REQUIREMENTS.—The single pro-
25 gram described in paragraph (1)—

1 (A) shall include a sliding fee scale that
2 provides for cost sharing by households that re-
3 ceive child care services under the program; and

4 (B) shall, to the extent practicable, be co-
5 ordinated with appropriate State and local pro-
6 grams providing child care services.

7 (3) POVERTY LINE DEFINED.—As used in this
8 subsection, the term “poverty line” means, with re-
9 spect to a household the income official poverty line
10 (as defined by the Office of Management and Budg-
11 et, and revised annually in accordance with section
12 673(2) of the Omnibus Budget Reconciliation Act of
13 1981) applicable to a family of the same size as the
14 household involved.

15 **SEC. 4. MEMBERSHIP.**

16 (a) NUMBER; APPOINTMENT.—The Commission shall
17 be composed of 23 members, as follows:

18 (1) The Secretary of Labor.

19 (2) The Secretary of Health and Human Serv-
20 ices.

21 (3) The Secretary of Housing and Urban Devel-
22 opment.

23 (4) The Secretary of Education.

24 (5) The Secretary of Agriculture.

25 (6) The Secretary of the Treasury.

1 (7) The Secretary of Veterans Affairs.

2 (8) 4 Members of the House of Representatives,
3 2 appointed by the majority leader of the House of
4 Representatives, and 2 appointed by the minority
5 leader of the House of Representatives.

6 (9) 4 Members of the Senate, 2 appointed by
7 the majority leader of the Senate, and 2 appointed
8 by the minority leader of the Senate.

9 (10) 6 officials of State and local governments
10 with expertise in welfare, education, or training is-
11 sues, appointed by the President.

12 (11) 2 individuals with expertise in job place-
13 ment for persons receiving cash assistance from the
14 Federal Government or a State government, ap-
15 pointed by the President.

16 (b) TERM OF OFFICE.—Each member of the Com-
17 mission shall be appointed for the life of the Commission.

18 (c) APPOINTMENT DEADLINE.—All appointments to
19 the Commission shall be made not more than 60 days
20 after the date of the enactment of this Act.

21 (d) VACANCIES.—A vacancy on the Commission shall
22 be filled in the manner in which the original appointment
23 was made.

1 (e) CHAIRPERSON.—The Secretary of Labor shall
2 serve as the chairperson of the Commission (in this Act
3 referred to as the “Chairperson”).

4 (f) COMPENSATION.—

5 (1) GENERALLY NONE.—Except as provided in
6 paragraph (2), the members of the Commission may
7 not receive pay, allowances, or benefits by reason of
8 their service on the Commission.

9 (2) TRAVEL EXPENSES ALLOWED.—Each Com-
10 mission member shall receive travel expenses, includ-
11 ing per diem in lieu of subsistence, in accordance
12 with sections 5702 and 5703 of title 5, United
13 States Code.

14 **SEC. 5. STAFF; EXPERTS AND CONSULTANTS.**

15 (a) STAFF OF FEDERAL AGENCIES.—Upon request
16 of the Chairperson, the head of any Federal agency may
17 detail, on a reimbursable basis, any of the personnel of
18 that agency to the Commission to assist the Commission
19 in carrying out its duties under this Act.

20 (b) EXPERTS AND CONSULTANTS.—The Commission
21 may procure temporary or intermittent services under sec-
22 tion 3109(b) of title 5, United States Code.

1 **SEC. 6. PROCEDURE OF COMMISSION.**

2 (a) MEETINGS.—The Commission shall meet at the
3 call of the Chairperson or a majority of the members of
4 the Commission.

5 (b) QUORUM.—A majority of the members of the
6 Commission shall constitute a quorum but a lesser number
7 may hold hearings.

8 (c) ACTION.—The Commission may act only by a vote
9 of a majority of the members of the Commission.

10 **SEC. 7. POWERS OF COMMISSION.**

11 (a) HEARINGS AND SESSIONS.—The Commission
12 may hold the hearings, sit and act at the times and places,
13 take the testimony, and receive the evidence the Commis-
14 sion considers appropriate to carry out this Act.

15 (b) POWERS OF MEMBERS AND AGENTS.—Any mem-
16 ber or agent of the Commission may, if authorized by the
17 Commission, take any action that the Commission is au-
18 thorized to take by this section.

19 (c) OBTAINING OFFICIAL DATA.—On request of the
20 Chairperson of the Commission, the head of a Federal de-
21 partment or agency shall furnish to the Commission such
22 information as the Chairperson may request to enable the
23 Commission to carry out this Act, unless the release of
24 the information is prohibited by law.

25 (d) GIFTS.—The Commission may accept, use, and
26 dispose of gifts of services or property, both real and per-

1 sonal, for the purpose of aiding the work of the Commis-
2 sion, except that gifts of money and proceeds from sales
3 of property received as gifts shall be deposited in the
4 Treasury of the United States and credited as miscellane-
5 ous receipts.

6 (e) **MAILS.**—The Commission may use the United
7 States mails in the same manner and under the same con-
8 ditions as other Federal agencies.

9 (f) **SUPPORT SERVICES.**—On request of the Commis-
10 sion, the head of a Federal department or agency may
11 make available to the Commission any facility or service
12 of the agency to assist the Commission in carrying out
13 the duties of the Commission under this Act.

14 **SEC. 8. REPORT.**

15 Within 6 months after the date a majority of the
16 members of the Commission have been appointed, the
17 Commission shall submit to the Congress a report that
18 describes in detail the programs, modifications, and tax
19 credits designed under section 3(a), and contains rec-
20 ommendations for legislation to enact such programs,
21 modifications, and tax credits. Such legislation will dem-
22 onstrate that the costs of any new programs recommended
23 herein are offset by the costs of programs to be eliminated
24 by the terms of the legislation.

1 **SEC. 9. TERMINATION OF COMMISSION.**

2 The Commission shall terminate upon the adjourn-
3 ment sine die of the Congress during which the report re-
4 quired by section 8 is submitted.

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